



**Consultation on Anticipated Social Issues
Alaska Gas Pipeline Project**

**IPIECA Workshop
Washington, DC**

**Mike Wofford
ConocoPhillips Alaska, Inc.
September 26, 2006**

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The following presentation includes forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. You can identify our forward-looking statements by words such as “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “estimates,” and similar expressions. Forward-looking statements relating to ConocoPhillips’ operations are based on management’s expectations, estimates and projections about ConocoPhillips and the petroleum industry in general on the date these presentations were given. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Further, certain forward looking statements are based upon assumptions as to future events that may not prove to be accurate. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements.

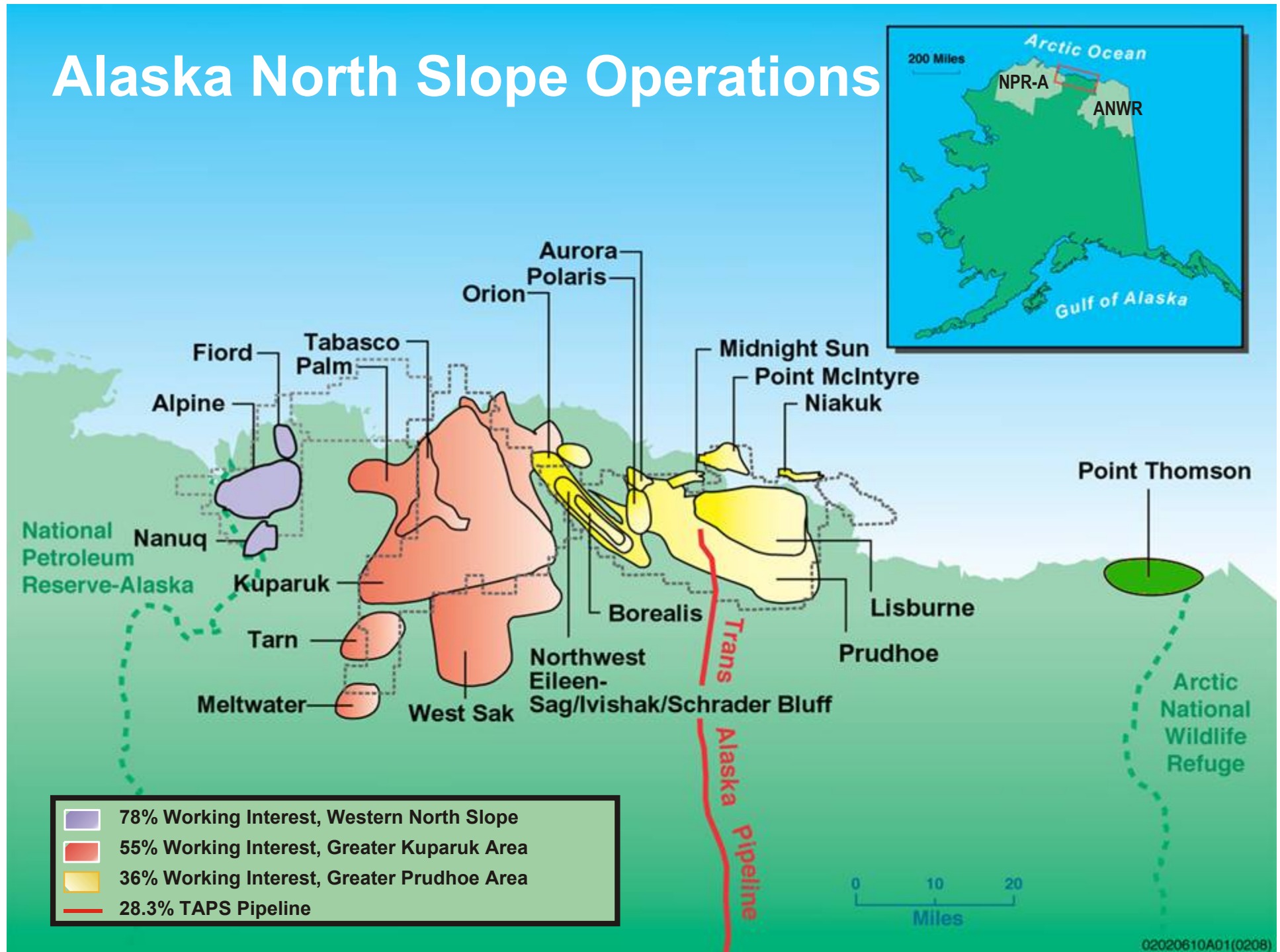
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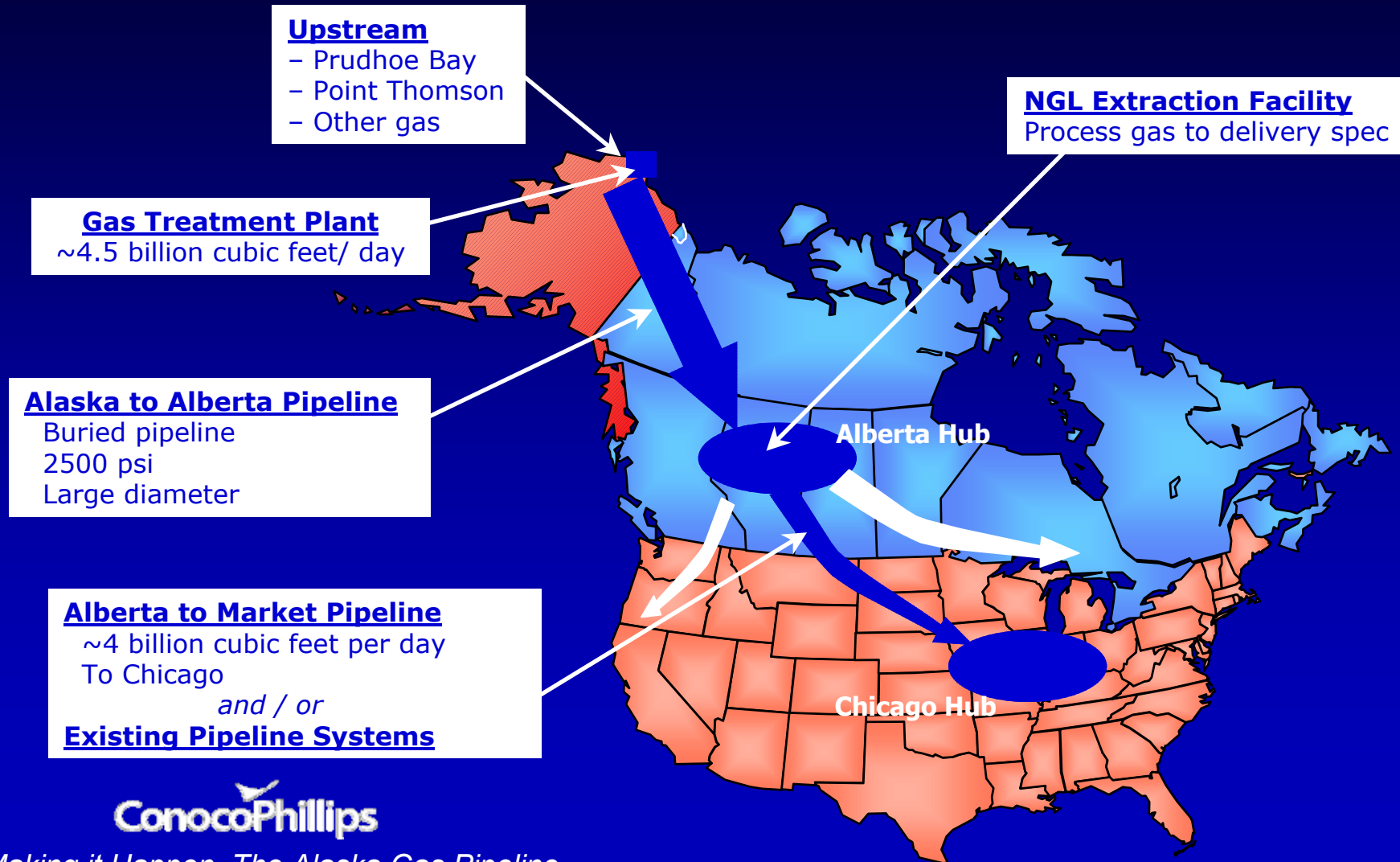


Making it Happen. The Alaska Gas Pipeline.

Alaska North Slope Operations

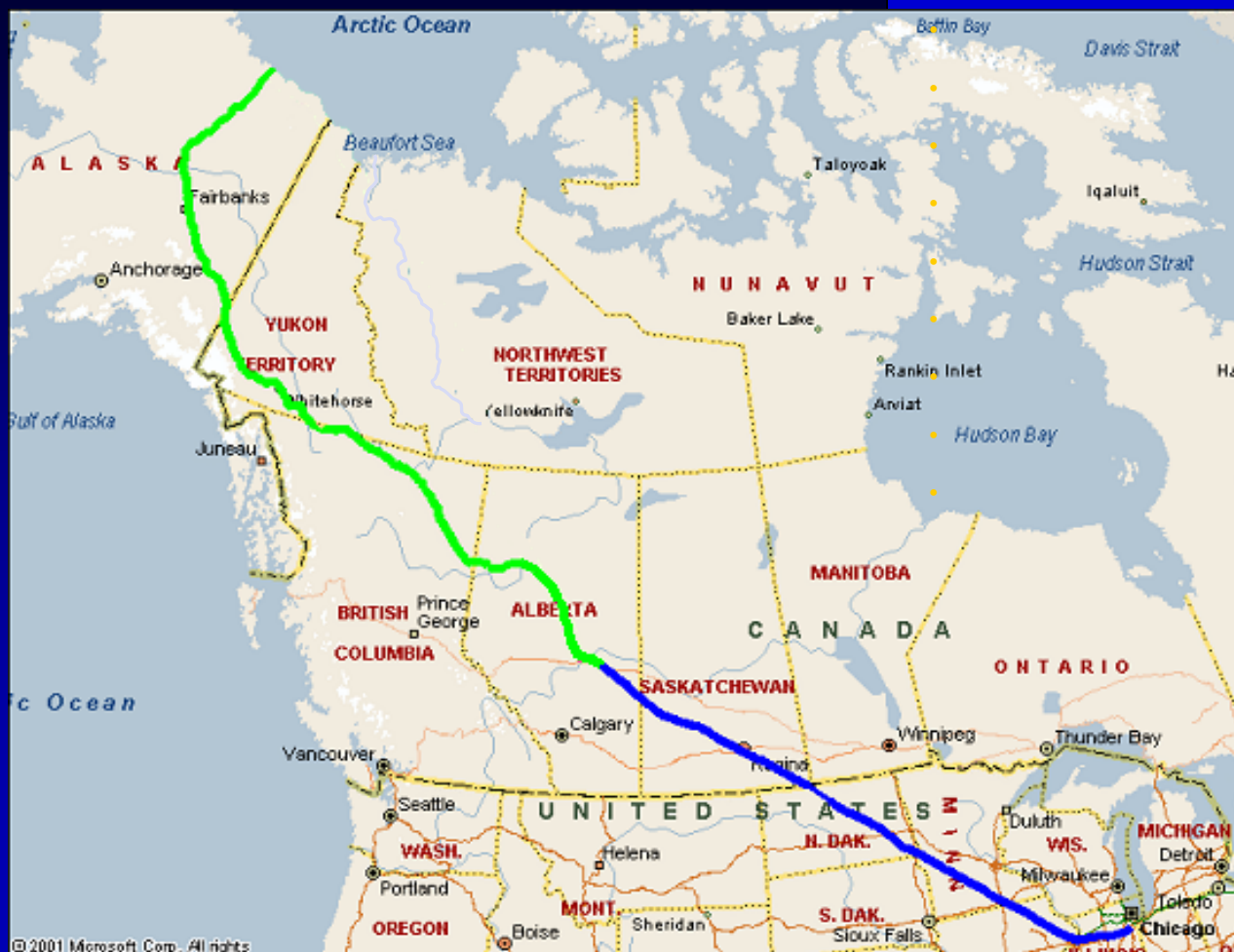


Alaska North Slope Gas Pipeline Project: *Several "Mega-Projects"*



ANS Gas Pipeline Preliminary Design Overview

(Source: 2001 Producers Study)



| | | |
|-------------------------------|---|---------------|
| • Pipeline Design Rate (bcfd) | : | 4.5 |
| | : | 5.6 |
| | : | 24 |
| | : | 1.2 million |
| | : | 2,100 |
| | : | 1,500 |
| | : | 2,000 2,500 |
| | : | 5 – 6 million |
| | : | 54 million+ |
| | : | \$125 million |

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2001 Environmental Field Studies

➤ Field effort exceeded 200,000 staff hours



- Vegetation & Soils Surveys
- Wildlife, Threatened and Endangered Species
- Wetlands, Fisheries, Hydrology & Water Quality
- Cultural & Archaeology Resources
- Marine Mammal Study

Although two routes were studied, the only route under consideration is the one along TAPS and the AICan Hwy



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Alaska to Alberta

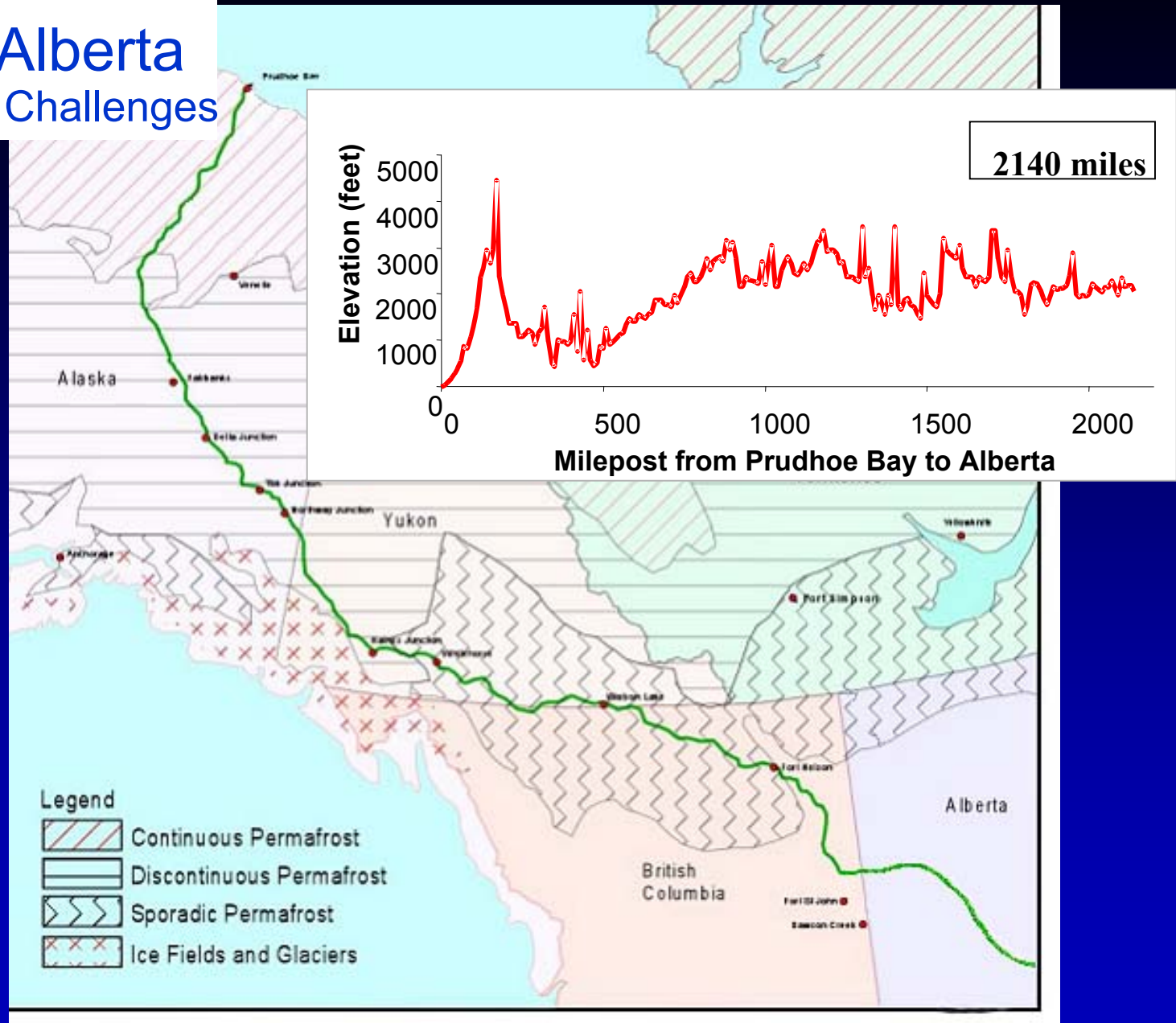
Major Technical Challenges

Project Challenges

- Steep Terrain
- Atigun Pass
- Seismic Activity
- Permafrost
- River Crossings
- Skilled Labor
- Pipe Availability
- Logistics

2001 Design Basis

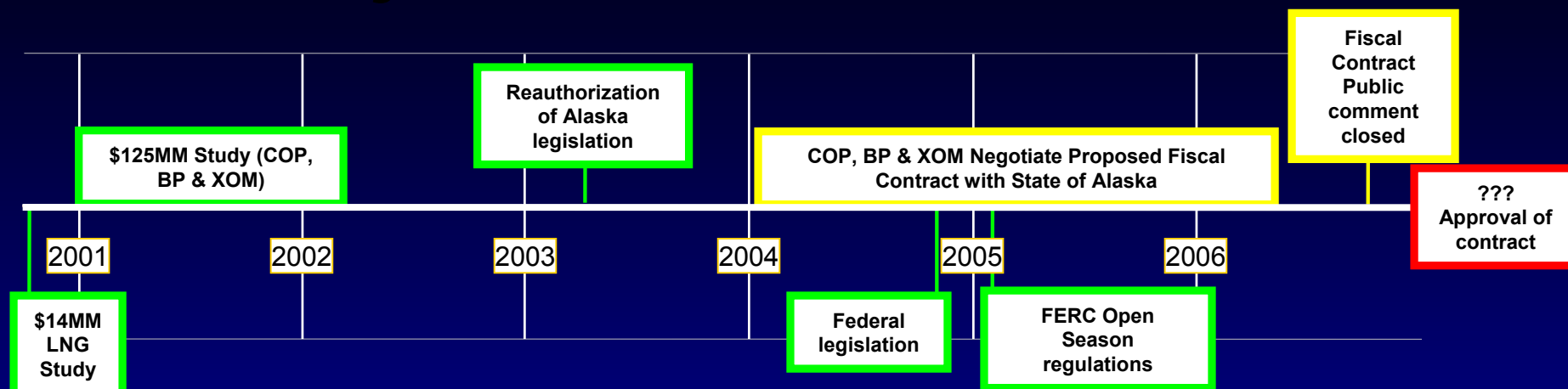
- 52" Pipe
- 2500 psi
- X-80 Carbon Steel
- Wall Thickness > 1 inch
- Buried, Chilled Line



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Major Milestones Achieved



2001-2002 Joint Study identified major risks:

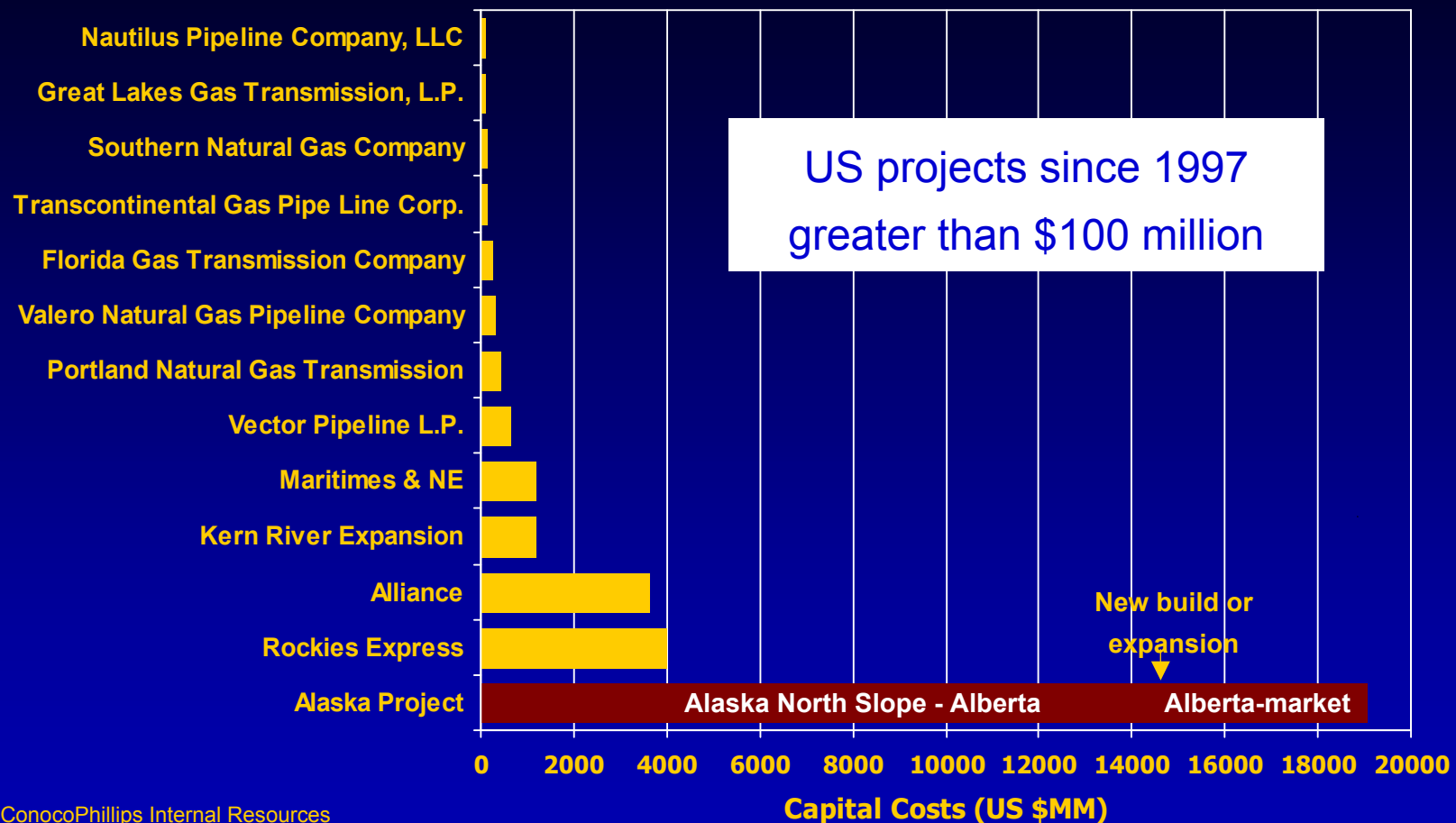
- ✓ US Federal
- State of Alaska
 - Changes in State fiscal terms ID'd as major risk
 - 2004-2006 spent negotiating to mitigate this risk
- Canadian regulatory
 - Will be addressed after Alaska terms finalized

Next milestone: Approval of Fiscal Contract



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Costs: Pipeline Project Comparison



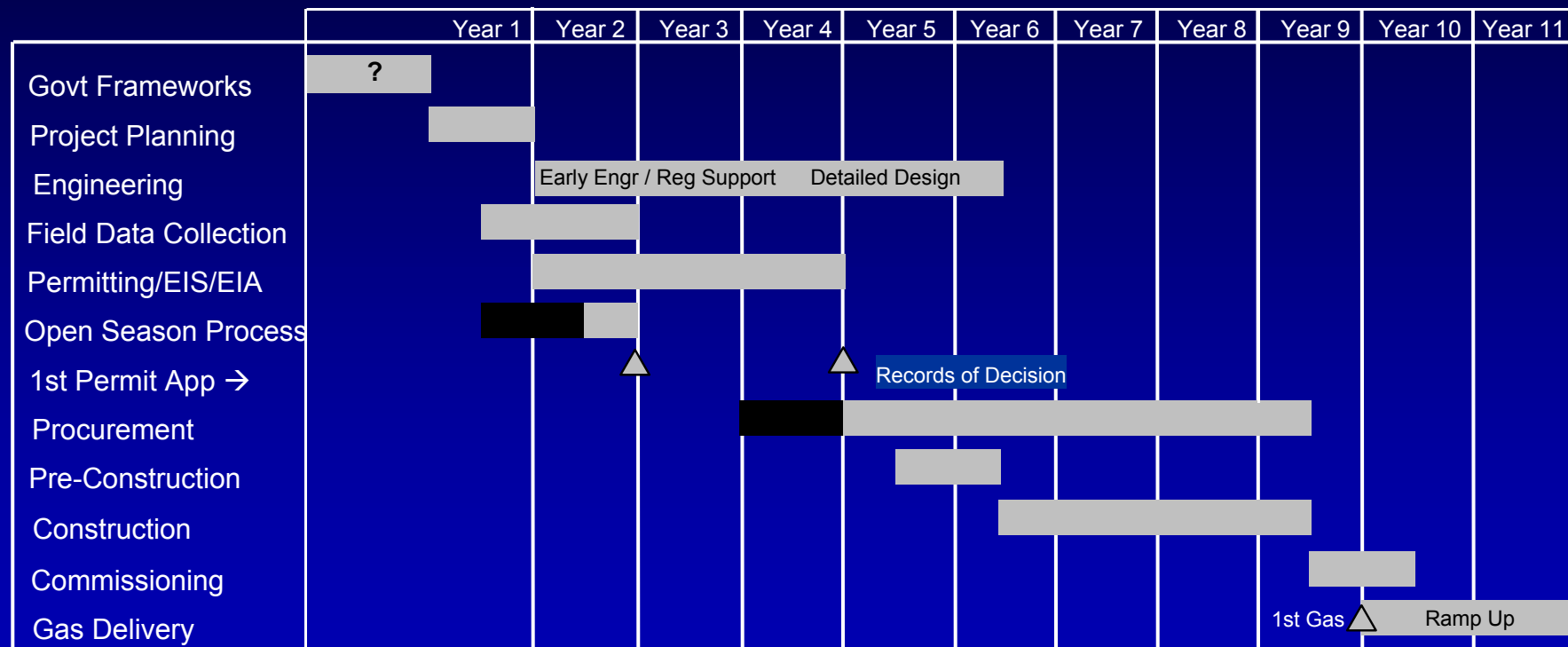
Source: ConocoPhillips Internal Resources

Alaska Gas Pipeline will be much larger & more difficult than other North American pipelines. Size brings additional risk.



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Success-Based Project Schedule



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Consultation Processes and Timing

- Project planning through permitting and beyond
- 4+ years prior to procurement, 6+ years prior to construction start
- Government consultation processes in parallel with Project
 - Canada: National Energy Board (NEB)
 - Crown obligation to consult First Nations
 - Early Public Notification (EPN) Process
 - US: Federal Energy Regulatory Commission (FERC)
 - Government-to-government consultation
 - NEPA process

Early consultation a key to success



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Scope of Consultation

■ Geographic

- Canada
- Alaska
- Lower 48

■ Types of Groups

- Native & Aboriginal groups and organizations
- Federal, regional, & local governments
- Private landowners
- NGOs
- Individuals



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Range of Consultation

■ A to B portion, Alaska

- 1200+ km
- 200 federally recognized tribes
- 42 Interior Athabascan communities
- About 10 Native communities near production or pipeline

■ A to B portion, Canada

- 2000+ km: Yukon, British Columbia, Alberta
- Traditional territories, First Nation owned lands, settled and unsettled land claims
- About 25 Aboriginal communities on or near route



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Preparation for Consultation

- 2001-2002 Study
 - Scope and breadth of the challenge, preliminary issues discussed
- Lessons learned: Producers' experience, other projects, agencies
- ConocoPhillips Sustainable Development
 - Consultation database & commitments tracking
- ConocoPhillips Alaska
 - Largest Oil & Gas producer in Alaska
 - Operator in Alaska since 1960s
 - Community consultation team experience
- ConocoPhillips Canada
 - Largest Canada operations of Producer group
 - Experienced consultation team
 - Record of acceptance & success

Plan for Stakeholder Involvement



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Pre-Consultation Knowledge Sharing

- Sustainability includes sound project economics
 - Tax treatment
 - Cost estimation and control
 - Technical and regulatory challenges

- Social issues
 - Cannot be fully developed prior to consultation process
 - Historical lessons from trans-Alaska oil pipeline (TAPS)
 - Preliminary discussions with Native, Aboriginal, and other communities and groups



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Community Expressions of Interest

- Safety & security
 - Worker, contractor, owner, public
- Local jobs and contract opportunities
 - Training, education, transferable skills, youth involvement
- Environment
 - Existing site conditions
 - Compliance during construction
 - Right of way care and restoration
- Cultural resources
 - Traditional Knowledge
 - Archaeological studies, culturally sensitive sites
- Public transportation infrastructure

Community health and well-being



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Commitment to Communities

“ConocoPhillips is committed to sustainable development . . . conducting our business to promote economic growth, a healthy environment and vibrant communities, now and into the future.”

Jim Mulva, CEO

October 28, 2003



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